

REFERENCE TITLE: workers' compensation; deposit premiums

State of Arizona
House of Representatives
Forty-ninth Legislature
First Regular Session
2009

HB 2057

Introduced by
Representatives Reagan, Konopnicki: McComish

AN ACT

AMENDING TITLE 20, CHAPTER 2, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 20-360; RELATING TO WORKERS' COMPENSATION COVERAGE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Title 20, chapter 2, article 4, Arizona Revised Statutes,
3 is amended by adding section 20-360, to read:

4 20-360. Deposit premiums: definition

5 A. AN EMPLOYER MAY CHOOSE TO PAY PREMIUMS FOR WORKERS' COMPENSATION
6 INSURANCE ON A SEMIANNUAL, QUARTERLY OR MONTHLY BASIS. AN INSURER MAY CHARGE
7 A DEPOSIT PREMIUM ON THE FOLLOWING SCHEDULE:

8 1. IF THE PREMIUM IS PAID ON A SEMIANNUAL BASIS, THE DEPOSIT PREMIUM
9 SHALL BE AT LEAST SIXTY PER CENT OF THE TOTAL ESTIMATED ANNUAL PREMIUM.

10 2. IF THE PREMIUM IS PAID ON A QUARTERLY BASIS, THE DEPOSIT PREMIUM
11 SHALL BE AT LEAST THIRTY PER CENT OF THE TOTAL ESTIMATED ANNUAL PREMIUM.

12 3. IF THE PREMIUM IS PAID ON A MONTHLY BASIS, THE DEPOSIT PREMIUM
13 SHALL BE AT LEAST TEN PER CENT OF THE TOTAL ESTIMATED ANNUAL PREMIUM.

14 B. THE DEPOSIT PREMIUM IS PAYABLE AT THE INCEPTION OF THE POLICY
15 TERM. THE DEPOSIT PREMIUM CANNOT BE LESS THAN THE MINIMUM PREMIUM STATED IN
16 THE POLICY. THE DEPOSIT PREMIUM SHALL BE CREDITED TO THE FINAL EARNED
17 PREMIUM OR RENEWAL POLICY AND CANNOT BE CREDITED TO ANY INTERIM PREMIUM
18 ADJUSTMENT.

19 C. NOTHING IN THIS SECTION REQUIRES THE COLLECTION OF A DEPOSIT
20 PREMIUM FOR PERIODIC PAYMENT POLICIES IF THE TOTAL ESTIMATED ANNUAL PREMIUM
21 DOES NOT EXCEED TWENTY-FIVE THOUSAND DOLLARS.

22 D. THE DEPOSIT PREMIUM REQUIREMENTS DO NOT APPLY TO GOVERNMENTAL UNITS
23 OR POLITICAL SUBDIVISIONS OF THIS STATE.

24 E. FOR THE PURPOSES OF THIS SECTION, "DEPOSIT PREMIUM" MEANS THE
25 INITIAL PAYMENT AN INSURER REQUIRES TO PROVIDE WORKERS' COMPENSATION
26 COVERAGE.